



15 MAY 2018

London Highway Alliance Contracts - LoHAC



EVERY JOURNEY MATTERS

What is LoHAC ?

		Cyclic Activity	Reactive Activity		Scheme Activity
		Lump Sum	Lump Sum ⁽¹⁾	Task Order	Task Order
1	Safety Inspections	Y	Y	n/a	n/a
2	Service Inspections	Y	N	n/a	n/a
3	Inspection of Highway Structures	n/a	n/a	Y	Y
4	Site Investigations and Surveys	n/a	N	Y	Y
5	Design Services	n/a	n/a	n/a	Y
6	Road Pavements (including minor repairs and resurfacing)	n/a	Y	Y	Y
7	Kerbs, Footways and Paved Areas	n/a	Y	Y	Y
8	Traffic Signs	Y	Y	Y	Y
9	Road Markings	Y	Y	Y	Y
10	Lighting (including electrical work for signs, etc)	Y	Y	Y	Y

- Framework available to all 34 London Highway Authorities
- Pick & Mix from 25 services
- Lump Sums – Schedule of Rates
- Cyclic / Reactive – Schemes – Asset Renewal
- Infinite variety of options



What has been good ?



- Establishes a price benchmark
- Contract Uniformity
- Brings Resilience
- Flexibility



What's not so good ?



- Contractual complexity
- Dilutes local knowledge
- Financial uncertainty
- No cross area working
- Performance, incentives and penalties
- Sign up process



Why the press interest ?

EXCLUSIVE by Steve Menary

Embattled LoHAC under-delivers by up to £650m



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Five years after its launch, the London Highways Alliance Contract (LoHAC) is beginning to unravel the Central area, picked up spending of £644.1m on call-off contracts procured through LoHAC in the first four years. When LoHAC was set up, £87m worth of work but the group, which comprises Colas, VolkerHighways and

The new London Highways Alliance Contract (LoHAC) was supposed to be the future of road maintenance in the



LoHAC looks fragile after joint venture drop out

The ailing London Highways Alliance (LoHAC) contract has suffered another blow with one of the four contractors recruited for the eight-year framework now also dropping.

LoHAC was set-up in 2013 and the Colas/Volker consortium known as CVU was appointed to the eastern region. Kier and IVs between FM Conway/AECOM and

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When does it all end ?

- 31st March 2021
(no option to extend).



What's the plan ?

- Suite of contracts for all potential users (TfL + others)



What's the timeline ?

Pre tender stage	to April 19 (docs complete)
Tender stage	April 19 to June 20
Contract Award	July 20
Mobilisation	Aug 20 to March 21
Go Live	Midnight 1 April 2021



Where are we now ?

Prior Indicative Notice Issued 4th May 2018

<https://procontract.due-north.com/Advert?advertId=3844cabe-3221-e811-80eb-005056b64545>

Its purpose, to establish market interest and gain insights to help inform the subsequent procurement exercise.



What might be considered ?

Traditional Schedule of Rates ?

Target Cost ?

Thick / Thin Client ?

London wide framework ?

TfL / Boroughs go separate ways ?

Works packaging ?



As of today

No strategy decisions have been made and all approaches will be considered.

The number of contracts to be let are undefined and will depend upon the packaging strategy.



Borough Options

- **Plough a lone furrow**
- **Use new documents but tender 'solo'**
- **Use a sub regional framework with other authorities**
- **Use new Pan London framework for selected services**
- **Use new Pan London framework for whole service**



Wider Picture

HMEP model documents available but not being maintained

Highways England overhauling DMRB and SHW

NEC3 updated to NEC4

UKRLG risk based CoP implications (by Oct 2018)

Coordination with Surrey CC, tendering at the same time



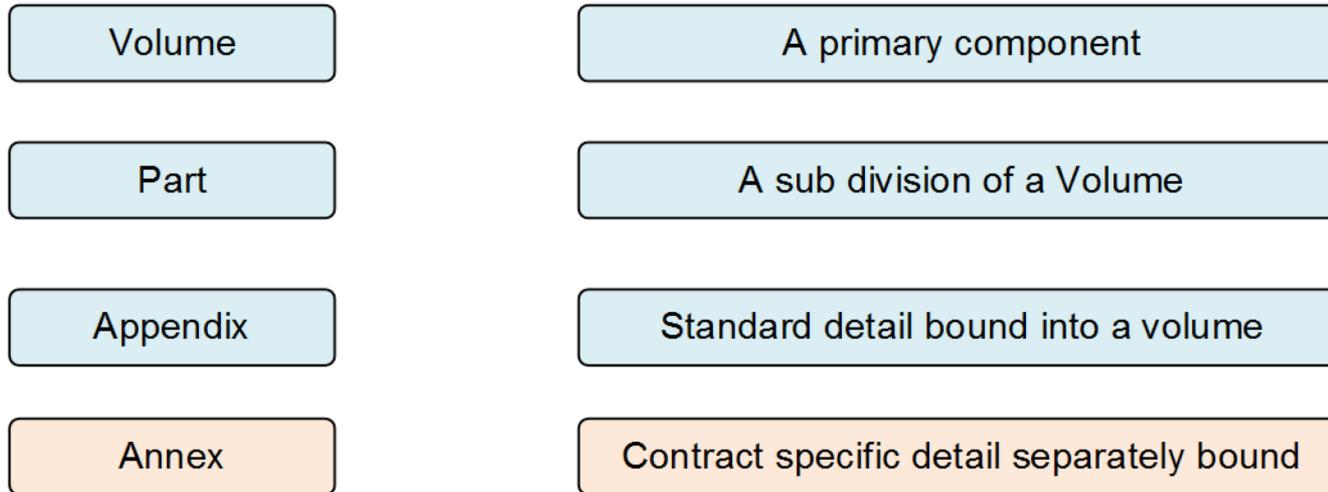
Current Activity

- Documents being modelled on a simplified LoHAC suite
- NEC3 Term Service Contract (subject to review)
- SHW modified only as necessary and appropriate
- TfL core with option to modify in local Service Information
- Easily adaptable for TfL and / or borough use



Contract Documentation

The overall structure will comprise of



Contract Documentation

Contract volumes.

- Volume A the agreement and Conditions of Contract
- Volume B the Specification
- Volume C the Method of Measurement and Schedule of Rates
- Volume D the Contractors quality commitments



Contract Documentation

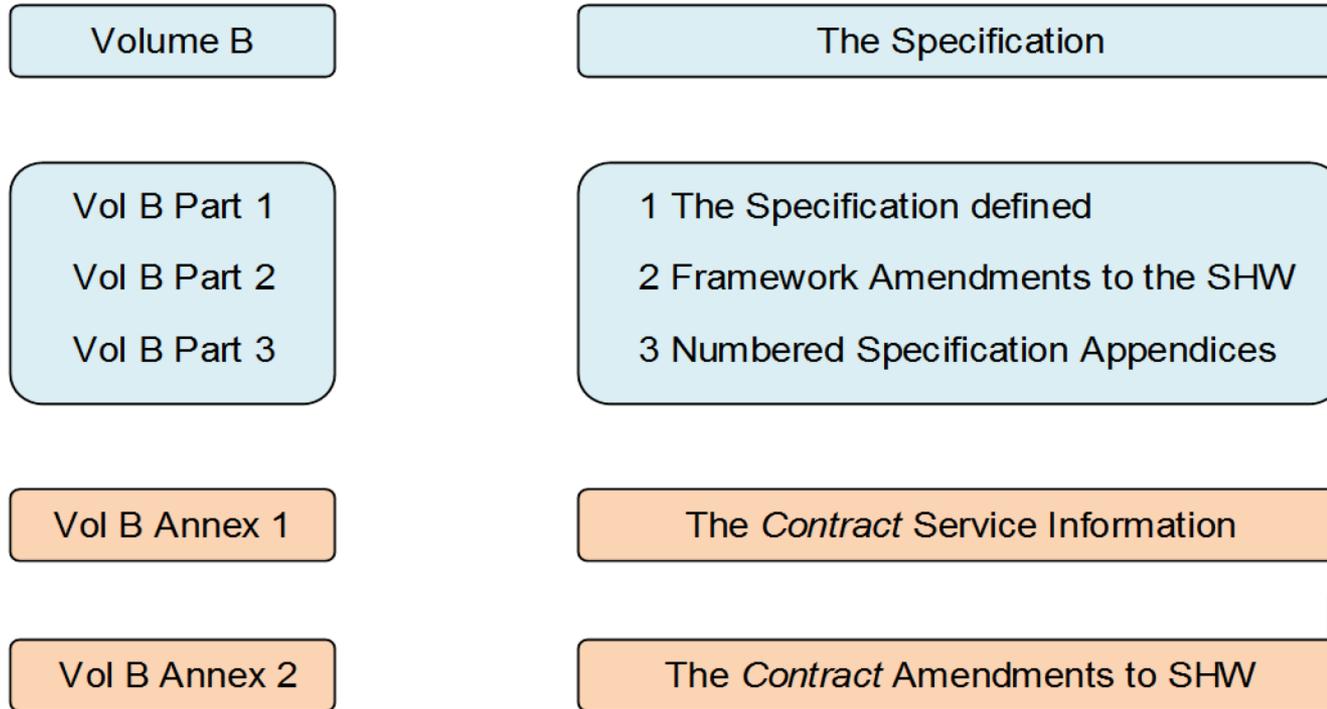
Contract volumes.

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Contract Documentation

So the structure would appear as :-



Contract Documentation

And :-

Volume C

Vol C Part 1

Vol C Part 2

Vol C Part 3

Vol C Part 4

Vol C Annex 1

MM & SoR

1 The Method of Measurement defined

2 Framework Amendments to the MM

3 Instructions for Pricing

4 Schedule of Rates

Pt 1 *Contract* Specific MM

Pt 2 *Contract* specific pricing rules

Pt 3 *Contract* specific lump sums

Pt 4 *Contract* specific SoRs



User Engagement

- Specification developed series by series
- Opened to Peer Review

SHW

MoM

SoR

SHW
Additions

MoM
Additions

Appendix



State of Play

- Specification in progress
- Series 1100 (kerbs & footways) available for peer review
- Series 2800 (winter service) available for peer review
- Series 100 (preliminaries) coming soon !



State of Play

Reviewer nominations via LoTAG Sub-Group Chairs

- Series 1100 (kerbs & footways) Dale.Foden@Southwark.Gov.UK
- Series 2800 (winter service) Robert.ORourke@TfL.Gov.UK
- Series 100 (preliminaries) coming soon !





Contact

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